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Auditors' Report

To the Board of Directors of Kids Cancer Care Foundation of Alberta:

We have audited the statement of financial position of Kids Cancer Care Foundation of Alberta as at January 31, 2010 and the statements of operations, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Kids Cancer Care Foundation of Alberta's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Foundation derives revenue from donations and other sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which might have been required had we been able to satisfy ourselves concerning the completeness of revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation at January 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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Certified General Accountants
 April 9, 2010
 Calgary, Alberta

Statement of Financial Position

January 31, 2010

	2010	2009
ASSETS		
Current		
Cash	\$ 415,657	\$ 299,988
Short term investments (Note 4)	2,033,140	3,810,617
Accounts receivable	138,341	180,138
Prepaid expenses	55,022	47,497
	2,642,160	4,338,240
Property and equipment (Note 5)	2,121,921	66,861
	\$ 4,764,081	\$ 4,405,101
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 57,894	\$ 171,059
Due to Calgary Foundation	3,905	3,905
Unearned revenue and other liabilities	69,112	74,219
Current portion of long term debt (Note 6)	96,370	-
	227,281	249,183
Long term debt (subject to demand) (Note 6)	964,355	-
	1,191,636	249,183
Deferred contributions related to operations (Note 7)	1,399,996	1,252,331
Deferred contributions related to property and equipment (Note 7)	101,145	2,663
	2,692,777	1,504,177
NET ASSETS		
Invested in property and equipment	960,051	64,198
Unrestricted	1,111,253	2,836,726
	2,071,304	2,900,924
	\$ 4,764,081	\$ 4,405,101

Approved on behalf of the Board:



Jack Ferraton, C.M., QC
Chair of the Board of Directors



Jackie Altwasser
Chair, Finance and Audit

Statement of Operations

For the year ended January 31, 2010

	2010	2009
REVENUE		
Fundraising		
Undirected	\$ 1,098,902	\$ 1,605,849
Camp and Community Programs	994,767	895,470
Research	499,759	474,393
Capital Campaign - Research	25,000	25,000
Clinical Support	22,270	23,447
Scholarship and Endowment Fund (Note 8)	126,754	91,580
Camp Kindle rental income	94,002	-
Investment income	26,245	124,808
	2,887,699	3,240,547
EXPENSES		
Camp and Community Programs	1,135,890	809,287
Foundation's fundraising activities	1,071,405	891,242
General and administrative	381,175	384,556
Research	354,820	368,646
Clinical Support	179,704	401,107
Communications and public education	179,583	158,589
Camp Kindle rental operations	162,757	-
Volunteer program	115,372	110,771
Scholarship endowments and awards	67,779	91,580
Amortization (Note 9)	36,592	16,456
Capital Campaign - Camp Kindle	32,242	-
	3,717,319	3,232,234
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (829,620)	\$ 8,313

Statement of Changes in Net Assets

For the year ended January 31, 2010

	Invested in Property and Equipment	Unrestricted	Total 2010	Total 2009
Balance, beginning of year	\$ 64,198	\$ 2,836,726	\$ 2,900,924	\$ 2,892,611
Excess (deficiency) of revenue over expenses	(332,107)	(497,513)	(829,620)	8,313
Property purchases	2,288,685	(2,288,685)	-	-
Proceeds of new debt	(1,100,000)	1,100,000	-	-
Repayments of debt	39,275	(39,275)	-	-
Balance, end of year	\$ 960,051	\$ 1,111,253	\$ 2,071,304	\$ 2,900,924

Statement of Cash Flows

For the year ended January 31, 2010

	2010	2009
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Cash received from		
Foundation's fundraising events	\$ 1,318,634	\$ 1,902,191
Community fundraising events	865,197	912,219
Individual and corporate donations	363,960	460,088
Capital campaign revenue	30,600	75,000
Camp Kindle rental income	94,002	-
Donations from other not-for-profits	233,859	307,559
Investment income	26,245	124,808
Government grants	122,967	4,911
	3,055,464	3,786,776
Cash paid for programs, activities and administration	(3,364,545)	(3,203,722)
	(309,081)	583,054
FINANCING ACTIVITIES		
Advance from long term debt	1,100,000	-
Repayment of long term debt	(39,275)	-
	1,060,725	-
INVESTING ACTIVITIES		
Increase (decrease) in short term investments	1,777,477	(616,912)
Acquisition of property and equipment	(2,413,452)	(46,661)
	(635,975)	(663,573)
NET DECREASE IN CASH FOR THE YEAR	115,669	(80,519)
CASH, BEGINNING OF THE YEAR	299,988	380,507
CASH, END OF THE YEAR	\$ 415,657	\$ 299,988

Notes to the Audited Financial Statements

For the year ended January 31, 2010

1. Purpose of Organization

Kids Cancer Care Foundation of Alberta (the Foundation), is incorporated under the Alberta Societies Act as a not-for-profit organization. It is a registered charity under the Income Tax Act. Therefore, under Section 149, the Foundation is not subject to the payment of income taxes.

The Foundation dedicates fundraising efforts to four areas:

Camp and Community

The Foundation provides free, year-round support opportunities for young people and their families affected by cancer. The Foundation manages residential and day camps for children, teenagers and young adults, aged 3 to 25, in various stages of cancer treatment. During the year, the Foundation also runs youth recreational programs and hosts a variety of supportive conferences and seminars.

In August 2009 the Foundation purchased Camp Kindle, located in Water Valley, Alberta. The cost of this facility was \$2,200,000 of which \$1,100,000 was financed (see note 6) and \$1,100,000 of undesignated funds were used to close. This new facility will be used to provide all the camping programs of the Foundation and will be rented to other charities, community groups and schools. The Foundation will be conducting a capital campaign in subsequent years to pay for the purchase and upgrades to this facility.

Research

Kids Cancer Care Foundation of Alberta provides funding for pediatric oncology research and treatment in Alberta. The results of the research program directly impacts the level of care that the pediatric oncology team is able to offer Alberta children with cancer, and ultimately many treatment programs around the world.

Clinical Support

Funding from Kids Cancer Care Foundation of Alberta purchases equipment, enhances programs and supports doctors, nurses, psychologists and therapists in the area of pediatric oncology-related medical care and family assistance. Practical and necessary support items aid sick children and their families during hospital stays and clinic visits throughout the entire cancer journey.

KCCFA Derek Wandzura Memorial Scholarship

The KCCFA Derek Wandzura (DW) Memorial Scholarship is designed to assist young adults with a history of childhood cancer to further their education pursuits. The scholarships may be used to upgrade and prepare for post-secondary studies or to pursue a post-secondary education program, be it a university, college or technical education. See also Note 7.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

a) Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Significant Accounting Policies (continued)

b) Property and Equipment

Property and equipment are recorded at cost. Amortization is reported using the following rates and method:

Furniture, fixtures, and equipment	5 years	Straight line
Computer equipment	3 years	Straight line
Computer software	2 years	Straight line
Automobile	5 years	Straight line
Leasehold improvements	Term of lease	Straight line
Buildings	25 years	Straight line

c) Contributed Goods and Services

Volunteers contribute many hours per year to assist the Foundation in carrying out its service and fundraising activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements. Contributed goods are recognized where their fair value is readily determinable.

d) Financial Instruments

Financial assets are classified as held for trading and carried at their fair value. Unrealized gains and losses on trading assets are recognized as part of the excess of revenue over expenses. Financial liabilities are carried at cost. The fair value of these financial instruments is based on current interest rates, market values, and pricing of financial instruments with comparative terms.

e) Measurement Uncertainty

Under Canadian generally accepted accounting principles, an important concept in the preparation of financial statements is the use of estimates in the determination of assets, liabilities, revenues, expenses and excess (deficit) of revenue over expenses for the year. To the extent that these estimates may vary from actual results, there would be a corresponding effect on various elements of the financial statements.

3. Accounting Standards Changes

There are no new accounting pronouncements that have been issued or approved since the prior year financial statements that affect the Foundation.

4. Short Term Investments

Short term investments are held in a money market fund.

5. Property and Equipment

	Cost		Accumulated Amortization		Net Book Value	
	2010	2009	2010	2009	2010	2009
Furniture and fixtures	\$ 82,764	\$ 64,962	\$ 61,022	\$ 44,470	\$ 21,742	\$ 20,492
Computers	48,391	44,196	18,394	2,263	29,997	41,933
Computer software	3,260	-	1,630	-	1,630	-
Leasehold improvements	10,350	10,350	7,392	5,914	2,958	4,436
Automobile	4,000	-	800	-	3,200	-
Camp Kindle - Buildings	1,606,498	-	321,299	-	1,285,199	-
Camp Kindle - Equipment	2,500	-	500	-	2,000	-
Camp Kindle - Challenge Course	85,195	-	-	-	85,195	-
Camp Kindle - Land	690,000	-	-	-	690,000	-
	\$ 2,532,958	\$ 119,508	\$ 411,037	\$ 52,647	\$ 2,121,921	\$ 66,861

Kids Cancer Care Foundation of Alberta
Notes to the Audited Financial Statements
For the year ended January 31, 2010

6. Long Term Debt

	2010	2009
Royal Bank loan payable in monthly installments of \$10,700, including interest at Royal Bank prime plus 0.90% per annum - current year effective rate of 3.19%, maturing in May of 2010, renewable annually. The loan is secured against the Camp Kindle property.	\$ 1,060,725	\$ -
Less current portion	96,370	-
Long term portion - because the loan is renewable on each anniversary it has been classified as current.	\$ 964,355	\$ -

7. Deferred Contributions

Deferred contributions represent unspent resources received in the current and prior periods but designated by the donor for use in specific programs or future operations as noted below. Contributions included in Research are amounts designated for the Kids Cancer Care Foundation Chair in Pediatric Oncology (Chair) and for the Hughes Children's Cancer Research Centre (HCCRC). Changes in the deferred contributions are as follows:

	Related to operations				Related to property and equipment		2010 Total
	Camp and Community	Research	DW Scholarship Fund	Total			
Balance, beginning of the year	\$ 196,172	\$ 1,051,074	\$ 5,085	\$ 1,252,331	\$ 2,663	\$ 1,254,994	
Amount added during the year	932,465	749,227	135,968	1,817,660	74,767	1,892,427	
Transfers	(50,000)	-	-	(50,000)	50,000	-	
	1,078,637	1,800,301	\$ 141,053	3,019,991	127,430	3,147,421	
Amounts utilized during the year for:							
Camp and Community	901,768	-	-	901,768	-	901,768	
Research	-	355,545	-	355,545	-	355,545	
Amortization of equipment	-	-	-	-	26,285	26,285	
Transfer to							
The Calgary Foundation	-	-	53,218	53,218	-	53,218	
Scholarship Awards	-	-	13,000	13,000	-	13,000	
Direct event costs	66,714	169,214	60,536	296,464	-	296,464	
Balance, end of the year	\$ 110,155	\$ 1,275,542	\$ 14,299	\$ 1,399,996	\$ 101,145	\$ 1,501,141	

7. Deferred Contributions (continued)

	Related to operations			Total	Related to property and equipment	2009 Total
	Camp and Community	Research	DW Scholarship Fund			
Balance, beginning of the year	\$ 66,097	\$ 633,591	\$ -	\$ 699,688	\$ 23,441	\$ 723,129
Amount added during the year	1,024,214	916,878	96,665	2,037,757	-	2,037,757
	1,090,311	1,550,469	96,665	2,737,445	23,441	2,760,886
Amounts utilized during the year for:						
Camp and community	809,287	-	-	809,287	-	809,287
Research	-	368,647	-	368,647	-	368,647
Amortization of equipment	-	-	-	-	1,331	1,331
Equipment disposal	-	-	-	-	19,447	19,447
Transfer to						
The Calgary Foundation	-	-	63,310	63,310	-	63,310
Transfers	-	-	25,930	25,930	-	25,930
Direct event costs	84,852	130,748	2,340	217,940	-	217,940
Balance, end of the year	\$ 196,172	\$ 1,051,074	\$ 5,085	\$ 1,252,331	\$ 2,663	\$ 1,254,994

8. Kccfa Derek Wandzura Memorial Scholarship Fund

The KCCFA Derek Wandzura Memorial Scholarship is an endowed fund owned and managed by The Calgary Foundation. As additional funds are raised for endowment purposes, they become payable to The Calgary Foundation to add to the endowment. The current year transfer was \$53,218 (2009; \$63,310). The fund was established on January 31, 2008.

The interest earned from the fund is provided to Kids Cancer Care Foundation of Alberta on a yearly basis to grant scholarships to survivors of childhood cancer. The market value of the fund held by The Calgary Foundation as of January 31, 2010 is \$174,525 (2009; \$82,014).

9. Camp and Community Programs

This total includes amortization expense in the amount of \$321,800 as related to the assets in use at Camp Kindle.

10. Commitments

The Foundation has minimum lease commitments under an office lease over the next three years as follows:

2011	\$ 129,519
2012	130,412
2013	23,413

In addition, the Foundation has further commitments related to research. The committed amount for the 2011 fiscal year is \$700,000 to support research grants, projects and awards. Thereafter the commitment is \$500,000 per year for the following four years.

11. Financial Instruments

The Foundation's financial instruments consist of cash, temporary investments, accounts receivable, and accounts payable. It is management's opinion that the Foundation is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

12. Comparative Figures

Some of the comparative figures have been reclassified to conform with the current year's presentation.